GOVERNMENT OF INDIA
RAILWAYS
LOK SABHA

UNSTARRED QUESTION NO:757
ANSWERED ON:23.11.2000
PARTIAL PRIVATISATION OF RAILWAYS
KAMAL NATH;UTTAMRAO DEORAO PATIL

Will the Minister of RAILWAYS be pleased to state:

(a) whether the attention of the Government has been drawn to the news-item captioned ` Mamata: Rlys. to go for partial privatisation` appearing in the Hindustan Times, New Delhi dated, October 20, 2000;

(b) if so, the broad outlines of the proposal;

(c) whether the task force set up for identifying various sectors of Indian Railways for privatisation has made any recommendations so far;

(d) if so, the details thereof and the reaction of the Government thereto;

(e) whether the Union Government have approached the State Governments for 50% contribution of funds and works;

(f) if so, whether the State Governments have since given their consent to contribute 50% funds to make the railways to reach effectively to various parts of the country; and

(g) if so, the details thereof ?

Answer

MINISTER OF STATE IN THE MINISTRY OF RAILWAYS (SHRI DIGVIJAY SINGH)

(a) to (g) : A statement is attached.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (g) OF LOK SABHA UNSTARRED QUESTION NO. 757 FOR 23.11.2000 BY SHRI KAMAL NATH AND SHRI UTTAMRAO PATIL REGARDING PARTIAL PRIVATISATION OF RAILWAYS

(a): Yes, Sir.

(b): Private Investment in railways is sought through the following:

1. Build own lease transfer (BOLT) Scheme for projects.

2. Own Your Wagon Scheme (OYWS) for procurement of wagons.

3. Through the Special Purpose Vehicle (SPV) as in the case of port rail connectivity projects.

4. Budget hotels & catering through Indian Railway Catering & Tourism Corporation.

5. Leasing of the Railways right of way by the Railtel Corporation.
6. Commercial exploitation of land & air space..

(c)&(d): In order to plan flow of investment from non- traditional sources of revenue, a Task Force comprising of Senior Railway Officers and representatives from FICCI, CII and ASSOCHAM was set up to undertake an in-depth study of various issues. The Task Force had recommended generating revenues from non-traditional sources like commercial utilisation of land and air space, Own Your Wagon Scheme, BOLT (Build Own Lease Transfer) Scheme, commercial publicity and other innovative financing packages including joint ventures and formation of SPVs (Special Purpose Vehicles) with private organisations.

Action has already been initiated in respect of various recommendations.

(e) to (g) : Governments of the States of Tamilnadu, Gujrat, Karnataka, West Bengal, Delhi and Andhra Pradesh have agreed to share

capital cost of certain identified projects. Modalities of participation in execution of rail projects are being worked out.